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# Italy

# Kiwifruit

# Country Report

# 2004

**Approved by:**
David Leishman
U.S. Embassy

**Prepared by:**
Alberto Menghini

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**Report Highlights:**
Italian kiwi production for 2003 is expected to decrease by 7 percent vis-a-vis 2002 to 353,000 tons. The lower volume is the result of spring frosts, which reduced the size of the fruits in some of the main producing regions. As a consequence, prices are also expected to decrease in MY 2003 as domestic consumers prefer fruit of larger caliber. The planted acreage has been constantly increasing since 1998, marking a 22 percent increase in the period 1998-2003. Italian producers are also exploring the possibility of boosting exports through EU registered Geographic Indications.

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Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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## Production

Italy is the leading world producer of kiwifruit, followed by New Zealand and Chile. Italian Kiwi production is concentrated in 4 regions: Lazio (35 percent), Piedmont (26 percent), Emilia-Romagna (17 percent) and Veneto (8 percent). Production in other regions is minimal.

Planted area, after a significant drop in the 1990's, has been constantly increasing since 1998 by about 800 ha per year, marking a 22 percent increase during the period 1998-2003. About 2,000 ha of the acreage have recently been replanted and is not yet in production. Despite the increased acreage, 2003 production is down by 7 percent in volume vis-à-vis 2002. This was due to lower yields in Lazio, Veneto, and especially in Emilia-Romagna, as these regions were affected by late spring frosts, resulting in below average fruit size. Piedmont, on the other hand, saw a 15 percent increase in production.

## Market Prices

Italian production is generally marketed between November and April. The domestic market mainly requires big fruits weighting 95-100 grams or more. The reduced average fruit size of 2003 production led to a short supply for the internal market, and increased exports toward other countries - especially eastern European countries and Russia.

As a result, prices are expected to increase for larger caliber fruits (95-100 grams and more).

## Domestic Consumption

Despite the trend for generally declining consumption of fresh fruit in Italy, domestic demand for kiwifruit, particularly fruit destined for fresh human consumption has steadily increased during the period 2000-2003 reaching a peak in MY 2002.

Domestic processing, mainly juice production, is still pretty marginal in terms of volume. Processing generally involves production that cannot be marketed for fresh consumption. Kiwifruit processing is expected to increase in the future, especially as there is an increasing demand for ready-to-drink fruit juice mixes.

## Trade Competition

In terms of international trade no big changes are foreseen. New Zealand and Chile are important producers, but their production is counter-seasonal to the Italian one (as they are located in the southern hemisphere). Competition from other EU countries (especially Greece and Spain) is growing, but so far remains relatively weak.

Northern European countries, as well as the United States and Canada are the main destination markets for the Italian production. Exports toward these countries are expected to rise as their per-capita consumption increases.

The EU enlargement is expected to offer new opportunities for Italian producers to increase exports.

**Marketing**

During the month of October 2003, Italian Kiwifruit producers reached an agreement at the Inter-professional Committee on the minimum marketing standards for domestic production. The basic framework of the agreement is as follows:

| Parameter | Standard |
|---|---|
| Brix degree | Minimum 9.5 for EU markets |
| Caliber | Minimum 65 grams |
| Marketing period (EU) | After $1^{st}$ November. This only applies to Hayward variety. |
| Marketing period (extra-EU) | For destinations with more than 15 days shipment marketing can start $10^{th}$ October, provided that Brix degree (measured at the departure) is more than 6.2. |

The main purpose of the standard agreement is to prevent producers from marketing the fruits before the ripening, as the practice is generally considered to be a problem, affecting both customer satisfaction and industry competition.

Lazio region kiwifruit producers have applied for an EU registration of the Geographic Indication "Kiwi Latina" according to EU regulation 2081/92. The request was formally accepted by the EU Commission in November of 2003 and was published in the Official Journal for objections and claims. The published notice indicates the proposed area of production and the proposed minimum standards. After six months from the date of publication, assuming no objections, the registration will become effective and the indication protected under EU rules.

Only at this stage the entitled producers (located within the identified area and producing according to standards) could start labeling kiwifruits as "Kiwi Latina PGI (Protected Geographic Indication)".

The PGI area includes most of the producing sites in Lazio, where most of the domestic production is concentrated. It is reasonable to expect that PGI production could soon become a significant share of the overall country production. According to some initial estimates, it could be as high as 30 percent.

The PGI kiwifruits will be identified by the EU logo (below) and by the logo of the local consortium (green with the Coliseum in the middle). Both of them could be applied to the individual fruits or on the packaging.

Currently, about 5 percent of the planted acreage is classified as organic production.

### Industry perspectives

Kiwifruit production will probably not be affected much by the recent Common Agricultural Policy reform. All current indications suggest that a shift in payments from arable crops to horticultural production will not be allowed.

The required investment per hectare of kiwifruit plantation is still relatively high, averaging about 23,000 euros per hectare. Marginal revenue per hectare is low at the moment. Unless prices increase significantly, there is no expectation for large production increases in the near future.

**PSD TABLE**

# PSD Table

| **Country** | **Italy** | | | | | | |
|---|---|---|---|---|---|---|---|
| **Commodity** | **Kiwifruit** | | | | (HA)(MT) | | |
| | 2001 | Revised | 2002 | Estimate | 2003 | Forecast | |
| | USDA Official [ | Estimate [l | DA Official [ | Estimate [l | DA Official [ | Estimate [l | |
| **Market Year Begin** | | 10/2001 | | 10/2002 | | 10/2003 | |
| Bearing Area | 21.000 | | 21.000 | 19.611 | 0 | 19.942 | |
| Non-Bearing Area | 0 | | 0 | 2.171 | 0 | 2.381 | |
| TOTAL Area Planted | 21.000 | 0 | 21.000 | 21.782 | 0 | 22.323 | |
| TOTAL Area Harvested | 20.500 | | 21.000 | 19.611 | 0 | 19.942 | |
| Commercial Production | 329.000 | 329.000 | 390.000 | 348.507 | 0 | 321.427 | |
| Non-Commercial Production | | | | 29.710 | 0 | 31.593 | |
| TOTAL Production | 329.000 | 329.000 | 390.000 | 378.217 | 0 | 353.020 | |
| Imports | 35.000 | 33.960 | 25.000 | 40.933 | 0 | 51.575 | |
| **TOTAL SUPPLY** | **364.000** | **362.960** | **415.000** | **419.150** | **0** | **404.595** | |
| Exports | 250.000 | 257.072 | 295.000 | 250.151 | 0 | 286.725 | |
| Domestic Consumption | 114.000 | 105.888 | 120.000 | 168.999 | 0 | 117.870 | |
| **TOTAL DISTRIBUTION** | **364.000** | **362.960** | **415.000** | **419.150** | **0** | **404.595** | |

**Trade Matrixes and Price Table**

# Import Trade Matrix

| **Country** | Italy | | |
|---|---|---|---|
| **Commoditi** | Kiwifruit | | |
| Time Period | Year | Units: | MT |
| Imports for: | 2001 | | **2002** |
| U.S. | 0 | U.S. | 0 |
| Others | | Others | |
| New Zealand | 12495 | Chile | 19124 |
| Chile | 11132 | New Zealand | 10751 |
| Belgium | 5064 | Belgium | 4704 |
| Netherlands | 2121 | France | 1893 |
| Greece | 1578 | Netherlands | 1592 |
| France | 630 | Spain | 1563 |
| Spain | 464 | Greece | 1106 |
| | | | |
| | | | |
| | | | |
| Total for Others | 33484 | | 40733 |
| Others not Liste | 476 | | 200 |
| Grand Total | 33960 | | 40933 |

# Export Trade Matrix

**Country** Italy

**Commodit** Kiwifruit

| | | | |
|---|---|---|---|
| Time Period | Year | Units: | MT |
| Exports for: | 2001 | | **2002** |
| U.S. | 7134 | U.S. | 8240 |
| Others | | Others | |
| Germany | 72918 | Germany | 63050 |
| Spain | 39651 | Spain | 41639 |
| Netherlands | 18541 | Netherlands | 18208 |
| UK | 16147 | UK | 14819 |
| France | 10298 | France | 14551 |
| Austria | 6951 | Belgium | 6461 |
| Belgium | 6896 | Canada | 5690 |
| Canada | 6286 | Switzerland | 5434 |
| Switzerland | 5844 | Austria | 4748 |
| Sweden | 5057 | Sweden | 4597 |
| Total for Others | 188589 | | 179197 |
| Others not Liste | 61349 | | 62714 |
| Grand Total | 257072 | | 250151 |

**Commodity** Kiwifruit

| | | | |
|---|---|---|---|
| Prices in | Euro | per uom | Kg |
| Year | 2002 | 2003 | % Change |
| Jan | 0,90 | 0,89 | -1% |
| Feb | 0,95 | 0,88 | -7% |
| Mar | 0,95 | 0,89 | -6% |
| Apr | 0,98 | 0,93 | -5% |
| May | 1,01 | 1,01 | 0% |
| Jun | | | |
| Jul | | | |
| Aug | | | |
| Sep | | | |
| Oct | 0,60 | 0,75 | 25% |
| Nov | 0,80 | 0,84 | 5% |
| Dec | 0,87 | 1,00 | 15% |
| Exchange Rate | 1,2692 | Local Currency/US $ | |
| Date of Quote | ######## | MM/DD/YYYY | |